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October 16, 2002

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Written Ex Parte Communication, In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket Nos. 01-338, 96-98 and 98-147

Dear Ms. Dortch:

Attached for submission into this record is an AT&T News Release announcing that AT&T now provides local phone service to 2 million customers in eight states, including New York, Texas, Illinois, Michigan, Ohio, California, Georgia and New Jersey. Residents in each of these states can now select among several AT&T local calling plans designed to serve both low and high volume customers with the ability to add attractively priced long distance services and receive a single monthly bill. A sample of some of AT&T's service offers is attached for review.

As AT&T continues to enter more markets with local and long distance packages, it is becoming increasingly clear that consumers everywhere are benefiting from competition:

In Michigan: Following AT&T market share gains, SBC lowered rates an average of 33 percent for certain of its local calling plans;

In Illinois: The same month as AT&T's market entry, SBC lowered rates and simplified what had been called the most confusing and complicated rate structure in America;

In California: In anticipation of AT&T's entry, SBC lowered rates for local and collapsed some toll calling zones;

In New York: Verizon raised rates in NY while AT&T held its rates steady (with a guarantee for at least a year);

In Ohio: Within 2 months of AT&T's entry, SBC introduced unlimited local toll plans, feature bundling promotions and Privacy Manager free for up to 6 months;

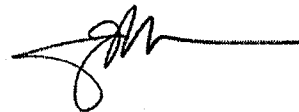
In Georgia: BellSouth introduced new feature bundles, full service bundles and promotions including Privacy Manager free for 12 months;

In New Jersey: While AT&T was in a market trial with a bundled local/LD offer, Verizon introduced "Variations," a new bundled offer combining local, long distance, wireless and DSL.

AT&T focuses on providing customers with high quality local services supported by first-class customer service. In a recent J.D. Power and Associates study of residential local telephone service providers, AT&T Consumer ranked highest in local service customer satisfaction among all major carriers with more than one million customers. The fact that AT&T has reached these service milestones proves that the 1996 Act is working and that state public service commissions are leading the way to increased competition and consumer benefits in the local marketplace.

Consistent with Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the above-referenced proceedings.

Sincerely,

A handwritten signature in black ink, appearing to be 'JM' followed by a horizontal line.

Joan Marsh

cc: Christopher Libertelli
Matthew Brill
Daniel Gonzalez
Jordan Goldstein
Thomas Navin
Robert Tanner
Jeremy Miller

AT&T's Varied Local Offers Appeal to Wide Range of Customers

- AT&T's entry plans are based on broad entry throughout a geographic area.
 - 31% of AT&T all distance customers are in rural zones
- AT&T offers plans for both low and high value customers including.
 - *Basic offers:*
 - GA: \$17.45
 - NJ: \$8.95
 - TX: \$15.00
 - *Consumers also get a choice of LD offers:*
 - One Rate: \$3.95
 - AT&T Unlimited: \$19.95
 - Can also use any existing LD plan or choose another company for LD
 - *Bundled offers:*
 - GA: \$29.95 unlimited local + 3 features with or without caller id
 - NJ: \$19.95 unlimited local + 3 features including caller id
 - TX: \$25.00 unlimited local + 3 features



News Release

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AT&T Now Serves 2 Million Residential Local Service Customers

FOR RELEASE WEDNESDAY, OCTOBER 16, 2002

MORRISTOWN, NJ – AT&T today announced that it now provides local phone service to 2 million consumers in eight states. The company launched service in six of those states only in the last eight months.

As of this year, residents of Illinois, Michigan, Ohio, California, Georgia, and New Jersey can select among several AT&T local calling plans with the ability to add attractively priced long distance plans and receive a single monthly bill. Residents in New York and Texas have been able to do so since AT&T entered those markets in 1999.

“People are looking for the same kind of choice in buying local phone service that they have in virtually every other purchasing decision they make,” said Kevin Crull, senior vice president, AT&T Consumer. “And we’re delighted that many of them are choosing AT&T.”

AT&T operates the world’s largest and most sophisticated global network. In addition to its 2 million residential local service customers, AT&T provides a full range of local voice and data services to businesses in 90 cities. Since 1998, the company has invested more than \$15 billion to prepare for facilities-based competition.

- more -

"As we build scale, we intend to extend our own facilities into the local network whenever feasible," said Crull. "After all, AT&T built the network that consumers rely on every day."

AT&T said it is anxious to offer consumers a competitive choice for local phone service in additional states but, in many instances, the incumbent local telephone companies' lease rates are too high to support competition. Where state regulatory commissions set reasonable rates, AT&T has indicated that it is committed to offering local service to consumers.

Although wholesale rates in New York were initially set at levels that precluded viable competition, early this year the state regulatory commission acted to reduce those rates to more reasonable levels and AT&T stepped up its marketing efforts. AT&T said it is hopeful that a number of state commissions that are reviewing wholesale rates, including those in Georgia, Massachusetts, Pennsylvania and Texas, will set rates that will foster the growth of local service competition.

"We're very pleased that the public service commissions of many states have supported the fight for lower wholesale prices, which has increased competition and benefited consumers," said Crull. "The ability of competing local providers to use the networks of incumbent providers is a necessary first step to competition, just as it was in the long distance market. AT&T provides its network facilities to long distance competitors -- including the incumbent local companies -- at wholesale rates that are discounted as much as 70 percent from comparable retail rates."

AT&T focuses on providing customers with high quality local services delivered via first-class customer service. In a recent J.D. Power and Associates study of residential local telephone service providers, AT&T Consumer ranked highest in local service customer satisfaction among all major carriers with more than one million customers. In fact, the J.D. Power and Associates study showed that AT&T Consumer ranked highest in the quality of its offerings and promotions, and in its ability to resolve customer problems on the first try. The study placed AT&T Consumer ahead of 11 other local service providers, but behind smaller Cincinnati Bell, which serves fewer than 700,000 households in Ohio, Kentucky and Indiana.

"The fact that we've reached this milestone clearly proves that the 1996 Telecommunications Act can work," said Crull. "We're hopeful that state regulators will continue to make decisions that will enable more consumers to benefit from a choice for local phone service, and that the Federal Communications Commission will continue to support a pro-competitive stance in the industry by enforcing the 1996 Telecommunications Act."

About AT&T:

AT&T (www.att.com) is among the world's premier voice, video and data communications companies, serving consumers, businesses and government. Backed by the research and development capabilities of AT&T Labs, the company runs the largest, most sophisticated communications network and is the largest cable operator in the U.S. The company is a leading supplier of data, Internet and managed services for the public and private sectors, and offers outsourcing, consulting and networking-integration to large businesses and government. Serving nearly 60 million consumers, AT&T is a market leader in consumer communications services and operates AT&T Worldnet® Service, a leading Internet access service that has garnered numerous awards for outstanding performance and customer service.

AT&T 'Safe Harbor'

The foregoing are "forward-looking statements" which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of AT&T.